

Little Hoover Commission Testimony

October 22, 2015

Ted Puntillo, Director of Veteran Services, Solano County

Good morning, I am Ted Puntillo, Director of Veteran Services for Solano County. I am representing the California Association of Veteran Service Officers. We have CVSO's representing all 58 counties in this state. We have well over 290 employees helping our California veterans and their families get connected to their hard-earned benefits.

I want to thank the commission for extending an invitation to speak on these critical veteran issues. Since I last testified before you there has been both progress and backsliding in the state's efforts to support veterans.

Through the consolidated efforts of many people, including legislators, members of Governor Brown's administration both in CalVet and the Governor's Office, veterans organizations like the California Association of County Veterans Service Officers and the individual efforts of each county's veteran service officers, we have made significant progress at the county level since I last testified before you.

If I may take a moment to briefly describe progress made in the county-state relationship.

First and foremost is the progress made in garnering additional state funds to support local CVSO operations. As you noted in 2013, while the state has long declared that the cost of CVSO operations should be equitably shared between the state and counties, there was no actual budget appropriation to match that policy. I am happy to report that effective in the current fiscal year, permanent state funding in support of CVSOs has gone from the historical level of \$2.6 million to \$5.6 million. As noted in your report, there was similar, though temporary, funding increases provided for two fiscal years to allow the counties to demonstrate how they would spend permanent funds and how those funds would impact veterans – I will speak more to that in a moment. While we applaud these increases in state support, future budget cycles need to look at additional, increases to get to the 50-50 cost-share level currently estimated at \$15 million.

We also want to report that the Department of Veteran Affairs, Veteran Services in particular is working closely with our CVSO's in an effort to improve both the county's and the state's ability to help veterans get connected to their benefits. Deputy Secretary Keith Boylan has worked with us to improve our relationship and assure that we work together to improve services to our veteran community. The Veteran Services Division of Cal Vet also worked with us to allocate the new revenue that was included in this budget cycle in a way that was agreeable to all parties and helped the smaller counties, while providing the incentive to the larger counties to file more claims and improve training of new employees.

So what did the counties do with the funding? Recall that the number one priority for new funding was to get more professional veteran service representatives to improve veteran access to learning about and accessing benefits and services critical to a successful transition to civilian life, as well as to address issues arising as a result of their service to the country. While temporary funding raises risk issues when hiring civil service staff, many counties stepped up and hired new staff or

expanded the hours of existing staff, despite there being no assurance the funding would become permanent. Over the two years of temporary funding 74% of the CVSOs were authorized by their Board of Supervisors to add staffing as a result of receiving this new funding. As a result they added:

- 32.5 full-time equivalent VSRs.
- 30 full-time equivalent support staff.

Data from VetPro, the statewide standard for CVSO case management, was analyzed to determine the number and monetary value of claims made possible by the temporary funding. It demonstrated that over 13,000 new claims were submitted, resulting in \$32 million of new benefits. AND these results represent claims and awards directly attributable only to those individuals hired with the temporary funding. In the meantime, pre-existing staff is becoming more effective because some clerical staff were hired relieving veteran service representatives from administrative work that distracted from their claims work.

Another priority use for these temporary funds was to add efforts to increase traffic into CVSO offices – effectively enticing veterans into the office so they could learn about benefits they may not have known existed. One of the most successful efforts was the issuance of veteran ID cards. Fifty-eight percent of the CVSOs have implemented a veteran ID card program. Over 22,000 new ID cards were issued, resulting in 4,300 new claims for benefits. About 19% of the veterans who came into the office had claims submitted for new or increased benefits.

The third priority use for these temporary funds was to expanded outreach activities. Last year 81% of the CVSOs reported having added new outreach efforts as a result of receiving these funds, adding over 2,100 new events and making almost 64,000 family contacts, which resulted in 1,800 new claims

Needless to say, the counties will be able to make these efforts permanent, and the fact that the additional funding is ongoing will allow additional counties to add to these results.

Additional efforts currently underway to improve the counties service to their veterans include:

- Veteran designator on driver licenses;
- Expanded outreach events
- Expansion of jail visits to incarcerated veterans and increased Vet Court activity

You may ask, “But the wars are winding down – why do we need more funding for CVSOs?” A valid question for which you need an understanding of the drivers of future workload in the veterans’ arena. We already know that a number of studies have demonstrated that California’s veterans are currently underserved when it comes to assisting them with access to their earned benefits. While we have made progress to reach national averages, we remain significantly behind like-sized states using the CVSO model. This baseline demand for CVSO services is expected to increase:

- A dramatic increase in traffic is expected with the implementation of the Veteran Driver’s License Program as veterans who do not need county-issued identifications (such as retirees) are added to the throughput.
- Historically, about 30,000 veterans return to California from military service each year. This number is expected to increase over the next two to five years as the military completes a

reduction in military force structure. Early estimates indicate reductions would include 119,000 service members, of which 12,000 are likely to return to California. Couple that increase in demand with California's historic underutilization of veteran benefits and we face a crisis in connecting veterans to their benefits.

- Once the reduction in force structure is completed it is expected that the number of veterans returning to California will drop from historic levels, but only by 1,000 to 2,000 veterans (about 28,000 to 29,000 returning annually).
- The largest cohort of veterans, the Vietnam-era veterans, are aging, and having more medical issues that can be associated with their service, and which need professional assistance in accessing those benefits – think the long-term effects of Agent Orange exposure.
- Similar environmental exposure issues for Post 9/11 veterans deployed in theater are now being identified. The result will be increasing demand for assistance in filing claims for those issues.
- Post 9-11 veterans are increasing the workload as they are better informed that they have potential benefits but lack knowledge to access those benefits. Combat veterans are returning with more issues and injuries and more complex issues than any cohort in the past, complicating their benefit claims process and heightening the need for professional assistance in successfully prosecuting their claims.

What areas in the state-county relationship need attention as we move forward?

As I mentioned earlier, the state needs to continue to increase its contribution to CVSO operations so that it finally achieves its own policy, clearly articulated in Military and Veterans Code, of funding 50% of the operational costs. While doing so we must:

- Continue to prioritize adding professional veteran service representatives to CVSO staff.
- Ensure that smaller and rural counties receive adequate support to implement a broad range of services despite low veteran populations. It makes no sense to force rural veterans to travel long distances to gain access to benefits and services they have earned. (This is a hard lesson learned by the USDVA medical community – there is no need to relearn it on our own)
- While continuing to reward for performance, allocate a portion of new funding based upon veteran population so that additional funding is targeted to where the workload exists.
- Training for our professional service representatives needs to be expanded, without proprietary claims on who provides the training. We need to ensure we have the best-trained veteran service representatives possible out in the field – and that means getting them to the best training, not just “any” training.
- Open options for grants to allow individual counties to implement innovative projects such as funding transportation from rural counties to USDVA medical facilities or providing a TAP follow-on program for counties near large military bases, or for those counties near to prisons expanding outreach to reduce recidivism.

- The state needs to explore making better use of the fantastic veteran service organizations that already exist in California – to include separate funding for special projects that would leverage their unique abilities to meet statewide goals.

But today's focus is on the Veterans Homes. The issues we articulated in January 2013 have only gotten worse. When I left service in CalVet I could proudly point to my peers in the Homes Division who had brought all the existing veterans homes to the highest ratings given by the Center for Medicare and Medicaid Services – now we find the Homes at the bottom of those ratings.

From our point of view we do not see any positive change to implement the Commission's earlier recommendations. Looking strictly at General Fund appropriations, in this fiscal year \$13 million (\$7.4M for state operations, including the \$3M in temporary funding for strike teams, and \$5.6M for CVSOs) of the over \$318 million in total General Fund appropriation is allocated to connecting 1.9 million veterans to their benefits. Conversely \$305 million is spent on less than 3,000 veterans in the Homes. Yet the Homes remain an inefficient delivery model rife with bureaucratic bloat. The Commission's recommendations from 2013 remain appropriate today; and if implemented could easily double the amount of General Fund appropriated to reaching the battle-scarred veterans we are receiving back to California today and for the next several years. It is time for the Department to prioritize the many underserved veterans over the privileged few. Since I left the department in 2011 there has been numerous changes in Vet Home leadership at the homes themselves and at headquarters in Sacramento. Their direction is scattered at best and there have been charges of mistreatment and poor service to our veterans. The new Secretary that has just been appointed is a physician and hopefully will bring a solid base of knowledge to the homes.

In our county there are numerous elderly veterans who would like to go to the Yountville Vet Home, but find the waiting lists long and complicated. I would prefer to see a trial process used in a pilot county where the state, instead of using the homes as the only way to care for these elderly and infirm veterans, use a voucher system where the state would supplement the veterans income to place them in a qualified local private facility so the veteran could stay in their own community and get the care needed at a price that would be well under the costs of placing a veteran in a Vet Home.

The math in the Cal Vet Home scenario is this: The state has a budget of \$305 million to care for under 3,000 veterans a year. This is over \$100,000 a year per veteran. The most expensive skilled nursing facility in Solano County will cost under \$60,000.00 a year for total 24-hour care. Assisted living facilities charge \$36,000 to \$48,000 a year for excellent care and there is usually no waiting list. A voucher system for qualified veterans would save the state money and provide more expeditious access and keep the veteran in his or her community, thus improving family support. This system really needs a new direction and it is hoped the new Secretary will provide that paradigm shift.